

REMARKS

After entry of the foregoing amendment, claims 1-9 remain pending in the application.

The requirement of a new declaration, and drawings, is noted. Applicant requests that these requirements be deferred until the indication of allowable subject matter.

Claims 1, 2 and 8 stand rejected as anticipated by Kenner et al (5,956,716). The remaining claims stand rejected as obvious over Kenner in view of Moskowitz (5,822,432) or Fridrich (6,101,602).

Kenner is understood to disclose a cache-based video delivery system based on a subscription model, in which charges are accrued and periodically billed. See, e.g., the reference to charge accrual at col. 34, lines 5-8:

A mechanism is built into the invention to avoid abuse of the "pay per view" billing system. With a pay per view system, there is a potential for a user to over-use the system, accruing an unreasonably high level of charges.

It will be recognized that the Kenner system does not teach "exchanging a fee" prior to transmission of the video to the consumer. If such a fee were exchanged, there would be no concern about accruing unreasonably high levels of charges.

In the invention of claim 1, in contrast, there is no accrual. A fee is exchanged prior to transmission of the video.

In view of this shortcoming, other points that could be raised in connection with claim 1, and claims dependent thereon (which rely on Kenner for this teaching it does not contain), are not belabored.

Favorable reconsideration and an indication of allowability are solicited.

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Respectfully submitted,

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